

Message Text

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PAGE 01 STOCKH 04360 121234Z
ACTION EUR-12

INFO OCT-01 AF-10 ARA-14 EA-12 EUR-12 NEA-10 ISO-00
IO-14 AID-05 CEA-01 CIAE-00 COME-00 EB-08 FRB-01
INR-07 NSAE-00 USIA-15 OPIC-06 SP-02 TRSE-00
LAB-04 SIL-01 AGRE-00 OMB-01 SS-15 DODE-00 PM-05
H-02 L-03 NSC-05 PA-02 PRS-01 /157 W
-----056665 130220Z /23

R 121007Z OCT 77
FM AMEMBASSY STOCKHOLM
TO SECSTATE WASHDC 1979
INFO AMEMBASSY BONN 2044
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DACCA
AMEMBASSY DAR ES SALAAM
USINT HAVANA
AMEMBASSY HELSINKI
AMEMBASSY ISLAMABAD
AMEMBASSY LONDON
AMEMBASSY LUSAKA
AMEMBASSY MASERU
AMEMBASSY NAIROBI
AMEMBASSY NEW DELHI
AMEMBASSY OSLO
AMEMBASSY PARIS
AMEMBASSY REYKJAVIK
AMEMBASSY ROME
AMEMBASSY TUNIS
USMISSION USUN NEW YORK

UNCLAS STOCKHOLM 4360

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E.O. 11652: N/A
TAGS: EAID, SW
SUBJ: SWEDEN WRITES OFF OFFICIAL DEBTS TO MOST AID RECIPIENTS

1. ACCORDING TO SWEDISH PRESS REPORTS, SWEDEN'S AID MINISTER
OLA ULLSTEN WILL ANNOUNCE IN THE UN IN NEW YORK TODAY (OCT 12)
THAT SWEDEISH GOVERNMENT LOANS AND CREDITS THAT HAD BEEN EXTENDED

TO ALL DEVELOPING NATIONS EXCEPT CUBA, TUNISIA AND ZAMBIA WILL BE WRITTEN OFF COMPLETELY. SUCH LOANS AND CREDITS REPORTEDLY AMOUNT TO A TOTAL SUM OF APPROXIMATELY ONE BILLION KRONOR.

2. INTERVIEWED BY THE STOCKHOLM DAILY NEWSPAPER SVENSKA DAGBLADET, MINISTER ULLSTEN SAID HIS ADDRESS BEFORE THE UN TODAY WILL BE TANTAMOUNT TO A STRONG ACCUSATION AGAINST THE RICH COUNTRIES FOR NOT MAKING A SIMILAR MOVE BECAUSE OF WHAT THEY CLAIM TO BE "SERIOUS FINANCIAL PROBLEMS". INSTEAD, THE RICH NATIONS ARE DEMANDING INTEREST AND AMORTIZATION PAYMENTS FROM THE POOR COUNTRIES, AND THIS IS HAVING A NEGATIVE IMPACT ON THEIR PAYMENTS BALANCES. "I HOPE OUR DECISION TO WRITE OFF OUR GOVERNMENT LOANS TO THE DEVELOPING COUNTRIES WILL BRING SOME POLITICAL PRESSURE TO BEAR ON THE OTHER RICH COUNTRIES", SAID THE SWEDISH AID MINISTER, WHO WENT ON TO SAY THAT SWEDEN, ALMOST WITHOUT EXCEPTION, NOW PROVIDES AID TO THE DEVELOPING COUNTRIES IN THE FORM OF GIFTS AND NOT LOANS AND CREDITS.

3. MINISTER ULLSTEN TOLD SVENSKA DAGBLADET THAT THE SWEDISH MOVE WILL BENEFIT ALL COUNTRIES CLASSIFIED BY THE UN AS THE POOREST AND HARDEST HIT. CUBA, TUNISIA AND ZAMBIA ARE NOT IN THAT CLASSIFICATION AND, THEREFORE, WILL NOT BENEFIT FROM THE SWEDISH MEASURE. ULLSTEN PARTICULARLY EMPHASIZED THAT THE POOREST COUNTRIES ARE BURDENED WITH DEBTS RUNNING INTO THE BILLIONS. THEIR INTEREST AND AMORTIZATION PAYMENTS TO THE INDUSTRIALIZED NATIONS ARE NOW GREATER THAN WHAT THEY ARE NOW RECEIVING IN UNCLASSIFIED

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AID FROM THOSE NATIONS, SAID ULLSTEN.

4. ULLSTEN CALLED ATTENTION TO THE FACT THAT MORE AID TO THE DEVELOPING COUNTRIES WOULD HAVE A POSITIVE ECONOMIC IMPACT ON THE INDUSTRIALIZED NATIONS SINCE IT WOULD OPEN ADDITIONAL TRADING OPPORTUNITIES. HE SAID HE WAS NOW GIVING MUCH THOUGHT TO THE MATTER OF SWEDISH EXPORTS TO THE DEVELOPING COUNTRIES AND OF HOW THE DEMAND FOR SWEDISH PRODUCTS IN THOSE COUNTRIES COULD BE STIMULATED. DURING NOVEMBER A SPECIAL INDUSTRIAL AID COMMISSION IS EXPECTED TO SUBMIT ITS REPORT PROPOSING WAYS AND MEANS FOR SWEDEN'S PARTICIPATION IN THE INDUSTRIALIZATION OF THE DEVELOPING COUNTRIES.

5. COMMENT: SWEDEN HAS URGED FOR SOME TIME IN THE NORTH-SOUTH DIALOGUE THAT OFFICIAL INDEBTEDNESS OF THE POOREST OF THE LDCS BE WRITTEN OFF AS AN ASSISTANCE MEASURE. IT HAS NOW PUT ITS PRINCIPLES INTO EFFECT, DESPITE THE CURRENT ECONOMIC SITUATION WHICH IS FORCING THE GOS AND THE BUSINESS COMMUNITY TO BORROW RELATIVELY HEAVILY ABROAD. THE PRINCIPAL BENEFICIARIES WILL BE INDIA, TANZANIA, VIETNAM, BANGLADESH, KENYA, ETHIOPIA, BOTSWANA, PAKISTAN AND SRI LANKA.
KENNEDY-MINOTT

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Copy: SINGLE
Sent Date: 12-Oct-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STOCKH04360
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770372-0985
Format: TEL
From: STOCKHOLM
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ISecure: 1
Legacy Key: link1977/newtext/t19771068/aaaacfrs.tel
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TAGS: EAID, SW
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